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QA:NA

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Subject: Discussions with 3 Commercial Quarry Operators
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Discussions with three quarry operators that are currently producing railroad ballast for mainline railroads have indicated that it is technically feasible that multiple quarries could produce enough ballast to meet the construction needs for the Mina Rail Line or Caliente Rail Line.

However, to further analyze their current and future production capabilities and estimated quarry rock reserves to meet these needs, quarry personnel have chosen, in some cases, not to release this information and are treating it as business sensitive.

Quarry operators contacted were from Martin Marietta - Granite Canyon quarry, Cheyenne, WY; Martin Marietta - Table Mountain Quarry (now owned by Vulcan) Oroville, CA; and Rinker- Twin Mountain Rock Company (now owned by CEMEX) Milford, UT.

Quarries typically have long term contracts (10-20 years) with railroad companies to produce an agreed to ballast tonnage per year. As such, quarries are interested in expanding their business, but there is an unwillingness to commit to an increased tonnage amount to support projects like the Mina Rail Line or the Caliente Rail Line, without additional information such as lead time to process ballast, and timeframe of when ballast requirements would be needed. All three quarry operators contacted stated that increased ballast production would most likely be generated with portable crushing equipment in addition to increasing production from stationary crushing plant (s).

In conclusion, two primary concerns exists that could jeopardize a plan to procure ballast from existing quarry operations. There is a concern as to whether the quarry ballast car loading area would be adequate to allow the timely loading of ballast cars for all ballast customers if production increased substantially. In addition, commitments and market competition for quarry products could conflict with DOE quarry product needs.